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Your Link to the Housing Market St. John's

Starts Weaker but MLS® Sales Continue to Rise

Similar to the first three months of 2005, housing markets within the St. John's region recorded a mixed performance during the second quarter of 2005. Housing starts declined when compared to the same period last year while MLS® residential sales continued to rise.

Rising Inventories Impact Housing Starts

Housing starts within the St. John's region declined for the second consecutive quarter between April and June, the first back-to-back quarterly decrease since 1998. Demand for

new homes continues to be impacted by a growing supply of competitively priced existing dwellings. Within the St. John's region, MLS® active residential listings reached a six-year high at the end of May. With inventories on the rise, home buyers have been presented with a broader range of homes to choose from. Given these circumstances, the supply of newly complete and unsold homes has also been edging higher in recent months. The net effect of these rising inventories has been a slowdown in the residential construction industry. Within the industry, multiple units suffered the largest decline, as evidenced by an 86.9 per cent decrease from the second

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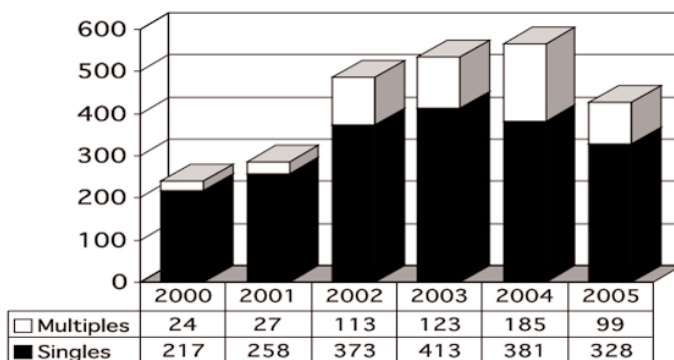
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Housing Starts by Type
St. John's CMA
2nd Quarter



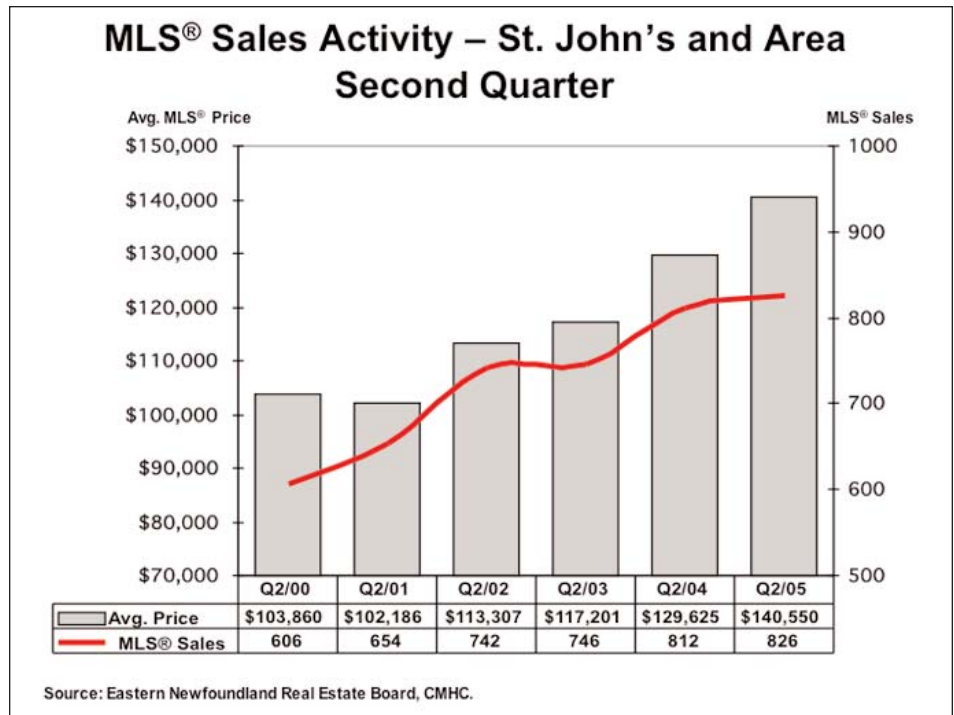
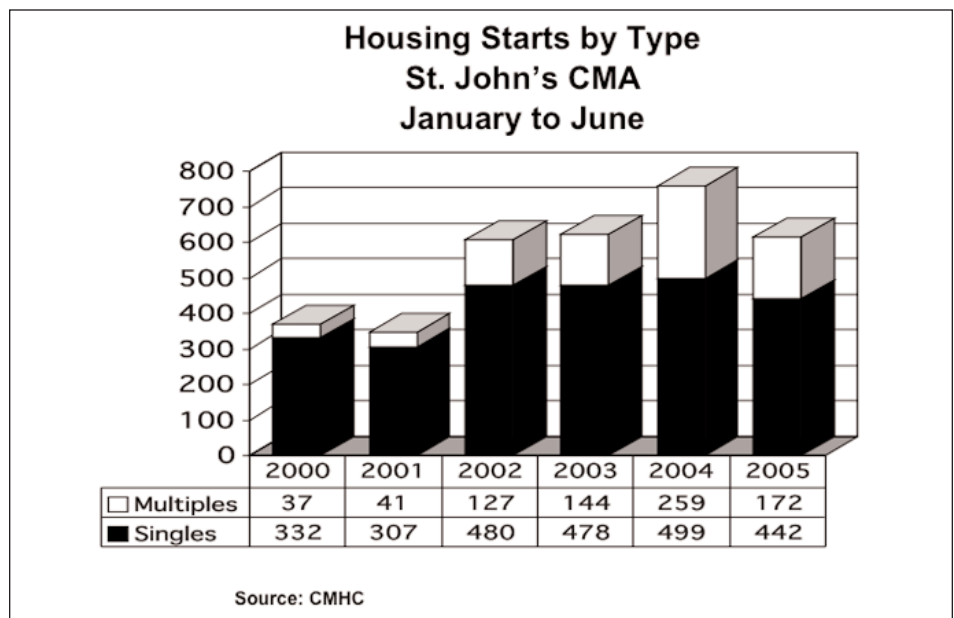
Source: CMHC

quarter of last year. While there have been fewer starts for all styles of multiple dwellings this year, the major reason for the decline has been a reduction in semi-detached construction. For the first half of 2005, semi-detached starts were down 47.3 per cent.

Single-detached starts were more resilient during the second quarter, registering a decline of 13.9 per cent from the same period in 2004. When combined with earlier losses, residential construction within the region is down 19.0 per cent during the first six months of 2005.

MLS® Residential Sales Edge Higher in 2nd Quarter

Demand for resale properties remained buoyant during the second quarter of 2005 as MLS® residential sales through the Eastern Newfoundland Real Estate Board edged higher. At 826 units, MLS® residential sales increased by a modest 1.7 per cent from the second quarter of 2004. When coupled with strong gains during the first three months, year-to-date MLS® residential sales have advanced 3.7 per cent to 1,273 homes. Double digit increases in April and June more than offset a slight decline in May, as the average MLS® residential house price moved up 8.4 per cent from the second quarter of 2004 to \$140,550. While the surge in the average price is partly due to sustained demand, it is mostly a result of an increase in the sale of higher priced homes. During the second quarter, sales of homes priced between \$150,000 and \$200,000 jumped 50 per cent from the same time last year while units priced between \$200,000 and \$250,000 were 28 per cent above 2004 levels.



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Contact Brian Martin today:
Telephone: (709) 772-4034
Email: bmartin@cmhc-schl.gc.ca



**TABLE 1
STARTS BY AREA AND DWELLING TYPE
ST. JOHN'S CMA**

Area/ Period	Single	Semi	Row	Apartment & Other	Total
St. John's City:					
Second Quarter 2005	129	28	1	50	208
Second Quarter 2004	130	76	7	70	283
Year-to-Date 2005	178	52	1	89	320
Year-to-Date 2004	184	108	13	90	395
Conception Bay South:					
Second Quarter 2005	69	0	0	0	69
Second Quarter 2004	85	0	0	0	85
Year-to-Date 2005	88	0	0	0	88
Year-to-Date 2004	111	0	0	0	111
Mount Pearl:					
Second Quarter 2005	9	2	0	6	17
Second Quarter 2004	24	0	0	4	28
Year-to-Date 2005	15	4	0	8	27
Year-to-Date 2004	28	0	0	10	38
Paradise:					
Second Quarter 2005	56	0	0	12	68
Second Quarter 2004	75	0	0	20	95
Year-to-Date 2005	76	2	0	16	94
Year-to-Date 2004	93	0	0	30	123
Torbay:					
Second Quarter 2005	24	0	0	0	24
Second Quarter 2004	19	0	0	6	25
Year-to-Date 2005	29	0	0	0	29
Year-to-Date 2004	20	0	0	6	26
Other Centres:					
Second Quarter 2005	41	0	0	0	41
Second Quarter 2004	48	2	0	0	50
Year-to-Date 2005	56	0	0	0	56
Year-to-Date 2004	63	2	0	0	65
Total St. John's CMA:					
Second Quarter 2005	328	30	1	68	427
Second Quarter 2004	381	78	7	100	566
Year-to-Date 2005	442	58	1	113	614
Year-to-Date 2004	499	110	13	136	758

Source: CMHC

**TABLE 2
MLS® RESIDENTIAL SALES ACTIVITY
ST. JOHN'S AND AREA**

MONTH	SALES	% CHG. PREV.YEAR	ACTIVE LISTINGS	% CHG. PREV.YEAR	TOTAL \$ VALUE	AVERAGE PRICE	% CHG. PREV.YEAR	SALES-TO-LIST RATIO
Jan-02	117	51.9%	843	-4.9%	\$ 12,586,944	\$ 107,581	5.1%	13.9%
Feb-02	145	16.9%	822	-5.6%	\$ 14,796,528	\$ 102,045	0.2%	17.6%
Mar-02	164	6.5%	923	-5.7%	\$ 18,262,972	\$ 111,360	11.2%	17.8%
Apr-02	205	25.0%	956	-2.0%	\$ 22,164,329	\$ 108,119	7.1%	21.4%
May-02	291	26.5%	1,106	-5.2%	\$ 33,312,241	\$ 114,475	12.1%	26.3%
Jun-02	246	-5.4%	1,174	-13.1%	\$ 28,597,464	\$ 116,250	12.8%	21.0%
Jul-02	347	11.2%	1,173	-13.0%	\$ 40,659,334	\$ 117,174	8.2%	29.6%
Aug-02	350	1.2%	1,147	-12.0%	\$ 39,356,201	\$ 112,446	2.0%	30.5%
Sep-02	317	26.8%	948	-29.7%	\$ 36,093,500	\$ 113,860	9.2%	33.4%
Oct-02	258	-5.5%	920	-17.0%	\$ 28,870,033	\$ 111,899	10.8%	28.0%
Nov-02	236	-9.6%	929	-10.1%	\$ 29,150,422	\$ 123,519	14.9%	25.4%
Dec-02	217	-3.1%	650	-16.2%	\$ 27,762,538	\$ 127,938	14.1%	33.4%
TOTAL	2,893	8.1%	11,591	-11.8%	\$ 331,612,506	\$ 114,626	8.9%	25.0%
Jan-03	124	6.0%	761	-9.7%	\$ 15,164,841	\$ 122,297	13.7%	16.3%
Feb-03	124	-14.5%	764	-7.1%	\$ 14,886,788	\$ 120,055	17.6%	16.2%
Mar-03	175	6.7%	833	-9.8%	\$ 19,932,578	\$ 113,900	2.3%	21.0%
Apr-03	176	-14.1%	923	-3.5%	\$ 21,774,656	\$ 123,720	14.4%	19.1%
May-03	269	-7.6%	1,006	-9.0%	\$ 30,694,103	\$ 114,104	-0.3%	26.7%
Jun-03	301	22.4%	999	-14.9%	\$ 34,963,284	\$ 116,157	-0.1%	30.1%
Jul-03	381	9.8%	1,074	-8.4%	\$ 47,489,407	\$ 124,644	6.4%	35.5%
Aug-03	368	5.1%	1,093	-4.7%	\$ 45,025,630	\$ 122,352	8.8%	33.7%
Sep-03	299	-5.7%	1,160	22.4%	\$ 37,216,078	\$ 124,468	9.3%	25.8%
Oct-03	347	34.5%	1,031	12.1%	\$ 42,409,433	\$ 122,217	9.2%	33.7%
Nov-03	268	13.6%	1,042	12.2%	\$ 32,562,810	\$ 121,503	-1.6%	25.7%
Dec-03	287	32.3%	744	14.5%	\$ 36,191,051	\$ 126,101	-1.4%	38.6%
TOTAL	3,119	7.8%	11,430	-1.4%	\$ 378,310,659	\$ 121,292	5.8%	27.3%
Jan-04	111	-10.5%	793	4.2%	\$ 15,097,246	\$ 136,011	11.2%	14.0%
Feb-04	128	3.2%	857	12.2%	\$ 16,746,669	\$ 130,833	9.0%	14.9%
Mar-04	176	0.6%	924	10.9%	\$ 23,340,202	\$ 132,615	16.4%	19.0%
Apr-04	250	42.0%	906	-1.8%	\$ 31,153,193	\$ 124,613	0.7%	27.6%
May-04	264	-1.9%	989	-1.7%	\$ 35,934,825	\$ 136,117	19.3%	26.7%
Jun-04	298	-1.0%	1,021	2.2%	\$ 38,167,772	\$ 128,080	10.3%	29.2%
Jul-04	418	9.7%	1,128	5.0%	\$ 55,532,387	\$ 132,853	6.6%	37.1%
Aug-04	402	9.2%	1,234	12.9%	\$ 53,587,468	\$ 133,302	8.9%	32.6%
Sep-04	335	12.0%	1,307	12.7%	\$ 44,652,818	\$ 133,292	7.1%	25.6%
Oct-04	310	-10.7%	1,295	25.6%	\$ 40,244,605	\$ 129,821	6.2%	23.9%
Nov-04	266	-0.7%	1,229	17.9%	\$ 37,284,004	\$ 140,165	15.4%	21.6%
Dec-04	245	-14.6%	1,079	45.0%	\$ 34,233,789	\$ 139,730	10.8%	22.7%
TOTAL	3,203	2.7%	12,762	11.7%	\$ 425,974,978	\$ 132,993	9.6%	25.1%
Jan-05	118	6.3%	1,044	31.7%	\$ 16,857,909	\$ 142,864	5.0%	11.3%
Feb-05	150	17.2%	1,097	28.0%	\$ 20,128,172	\$ 134,188	2.6%	13.7%
Mar-05	179	1.7%	1,130	22.3%	\$ 24,416,538	\$ 136,405	2.9%	15.8%
Apr-05	213	-14.8%	1,267	39.8%	\$ 31,140,489	\$ 146,199	17.3%	16.8%
May-05	304	15.2%	1,395	41.1%	\$ 41,168,192	\$ 135,422	-0.5%	21.8%
Jun-05	309	3.7%	1,441	41.1%	\$ 43,785,962	\$ 141,702	10.6%	21.4%
Jul-05								
Aug-05								
Sep-05								
Oct-05								
Nov-05								
Dec-05								
TOTAL	1,273	3.7%	7,374	34.3%	177,497,262	\$ 139,432	6.6%	17.3%

Source: Eastern Newfoundland Real Estate Board.

This publication is also available in French. For more information, or to subscribe, contact Michèle Merrick at the Atlantic Business Centre at (902) 426-4708.
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